GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:1107
ANSWERED ON:07.12.2004
MONITORING OF NEW STEEL PLANTS IN PRIVATE SECTOR
Boianapalli Shri Vinod Kumar

Will the Minister of STEEL be pleased to state:

(a) whether the Government has set up a monitoring group to oversee the progress of new steel plants in the private sector;

(b) if so, the details thereof;

(c) whether construction of a number of private sector steel projects has been held up due to funding problems; and

(d) if so, the details thereof and the steps being taken by the Government to help the private sector steel plants?

Answer

MINISTER OF CHEMICALS & FERTILIZERS AND MINISTER OF STEEL (SHRI RAM VILAS PASWAN)

(a) Government has not set up any monitoring group to oversee the progress of new steel plants in the private sector.

(b) Do not arise in view of (a) above.

(c) & (d) It is reported that certain steel projects taken up in early 1990, faced implementation problems in their pre-commissioning stage. This was due to the slow down in the steel industry, which began in the later part of nineties. As such the promoters of these projects could not bring in planned equity capital and became dependent on Financial Institutions for debt capital which affected flow of funds into their projects. Issues such as provision of loan funds and equity funds for private sector projects are commercial matters to be settled between the project promoters/authorities, investors and lending agencies and Government has no direct role in the matter. However, to facilitate interaction between project promoters/authorities and lending agencies. Ministry of Steel has set up a Project Coordination Group.